
SUCCESSOR AGENCY to the REDEVELOPMENT AGENCY of the CITY of BURBANK

DATE: February 25, 2013

TO: OVERSIGHT BOARD

FROM: Ruth Davidson-Guerra, Assistant Community Development Director/
Successor Agency Implementing Official

**SUBJECT: FY 13-14 SUCCESSOR AGENCY ADMINISTRATIVE BUDGET AND
RECOGNIZED OBLIGATION PAYMENT SCHEDULE - FY 13-14A**

RECOMMENDATION

Staff recommends:

1. Oversight Board adopt Resolution No. 10 (Exhibit A) approving the Fiscal Year (FY) 13-14 Administrative Budget.
2. Oversight Board adopt Resolution No. 11 (Exhibit B) approving the Recognized Obligation Payment Schedule (ROPS) FY 13-14A, covering the six-month period of July 1 through December 31, 2013.

BACKGROUND

On February 1, 2012, all redevelopment agencies in the state of California were dissolved in accordance with AB1X 26, which amended the Health and Safety Code. Later in June 2012 as part of the State's annual budget process, a trailer bill, AB 1484, was approved. Together these bills amended several sections of the Health and Safety Code, and codified procedures for the wind-down of all former redevelopment agencies.

As part of the statutory wind-down process, the Oversight Board must approve an annual Administrative Budget for the Successor Agency. The Administrative Budget is a component of the ROPS, which is prepared and approved by the Oversight Board and ultimately the State Department of Finance (DOF) on a semi-annual basis. Proposed for consideration and approval is the ROPS 13-14A for the six-month term of July 1 through December 31, 2013.

DISCUSSION

As prescribed by law, the proposed annual Administrative Budget is based on a calculation of three percent (3%) of the total estimated obligation payments for the same 12-month period. The FY 13-14 Administrative Budget consists of: salaries and benefits of direct-funded staff (1.6 full-time equivalent positions); and costs associated with materials, supplies, and services (MS&S) necessary to carry forth the wind-down process. Exhibit A.1 identifies salary and benefits costs of \$175,478, and other MS&S

costs of \$379,522; yielding a total Administrative Budget of \$555,000. The Oversight Board is asked to adopt the proposed resolution, which approves the proposed Administrative Budget and provides administrative authority to the Successor Agency Implementing Official to transfer funds within the approved Budget (with the exception of amounts associated with salaries and benefits).

While similar to previously approved payment schedules (ROPS I, II, and III), ROPS 13-14A (Exhibit B.1) is a recently-updated format instituted by the DOF. The new ROPS format is “pre-populated” with certain information by the DOF and contemplates estimated expenditures during the first half of FY 13-14.

FISCAL IMPACT

Staff estimates the obligation payments for July through December 2013 (ROPS FY 13-14A) to total roughly \$12.6 million; and is currently projecting obligation payments of approximately \$5.9 million for the second half of the fiscal year (January through June 2014, ROPS FY 13-14B). Based on the combined estimate of \$18.5 million of FY 13-14 obligation payments, the 3% Administrative Budget is projected at \$555,000.

CONCLUSION

As prescribed by the codified unwind process, the Oversight Board is recommended to adopt the proposed resolutions, which: 1) approves the Successor Agency FY 13-14 Administrative Budget; and 2) approves the ROPS FY13-14A. Upon approval of the Oversight Board, staff will transmit all necessary documents to the required governmental agencies.

EXHIBITS

EXHIBIT A	Resolution No. 10 Approving FY 13-14 Administrative Budget
EXHIBIT A.1	Proposed FY 13-14 Administrative Budget
EXHIBIT B	Resolution No. 11 Approving ROPS FY 13-14A
EXHIBIT B.1	Proposed ROPS FY 13-14A